Report of the Transatlantic Economic Partnership Steering Group
To the Meeting of Trade and Economic Ministers
At the U.S.-EU Summit, Washington, December 18, 2000

The Transatlantic Economic Partnership (TEP) Steering Group met on September 12 and November 9, 2000. The next meeting is scheduled for late January 2001.

Achievements for the 2nd semester 2000

The Steering Group noted with satisfaction that significant progress has been achieved over the last six months in fulfilling elements of the TEP Action Plan.

In the area of technical barriers to trade, the Steering Group welcomed the substantial progress we made on an agreed text of a mutual recognition agreement (MRA) on marine equipment. The Steering Group was also pleased by the finalization of a Joint Declaration on a Framework for U.S.-EU Cooperation in the field of Metrology in Support of Trade area (see Annex 1) as a step to reduce further barriers to transatlantic trade. In addition, the Steering Group noted that the two sides have made progress and have released for comment to the transatlantic dialogues a joint draft bracketed text on guidelines for regulatory cooperation and transparency. The Steering Group also acknowledged progress on regulatory cooperation in the fields of cosmetics, elevators, telecommunications equipment and consumer product safety.

In the area of services, both sides have been encouraged by the finalization of a work plan for further discussion and negotiation on mutual recognition arrangements in the architectural and engineering services sectors (see Annex 2) as well as by the progress made in the insurance sector.

Regarding discussions within the framework of the TEP Working Group on biotechnology, U.S. and EU officials have made good progress towards agreement on issues affecting U.S. corn exports to Spain and Portugal. Since the last Summit, the experts in sampling and testing methods from U.S., EU and Member State agencies have made significant progress in identifying reliable and consistent approaches to verification. Parallel discussions on the administrative aspects are also making progress. Discussion continues on the issue of obtaining access to the data and reference material needed for tests on new GMO events. This access is currently being pursued on the basis of confidentiality undertakings with testing laboratories. On this basis, policy officials will aim to make further progress early in the New Year. In addition, regarding the TEP pilot project on biotechnology, regulators from the U.S. and the EU have made significant progress in comparing the molecular characterization components of their review processes for transgenic plants.

Furthermore, discussions continued on conditions that could allow the withdrawal of sanctions imposed by both sides in 1993 due to a dispute over telecommunications-related procurement.

On the multilateral front, we continued working together on a number of important issues in the WTO. In particular, the U.S. and the EU approaches to the accession of China to the WTO have been characterized by frequent and constructive coordination. We also took note of the implementation debate recently

concluded in the WTO General Council.

The Steering Group discussed additional items under the Early Warning Mechanism established by the June 1999 U.S.-EU Summit and began an examination of how to refine the practical procedures that should govern the treatment of issues brought up under this mechanism.

Priorities for the 1st semester 2001

The Steering Group will monitor and give encouragement to completing the process of bringing into force the MRA on marine equipment, including the identification of an initial scope of product coverage. In addition, the Steering Group will press for early finalization of the guidelines for regulatory cooperation and transparency. Both sides will support continued regulatory cooperation in the areas of road safety equipment, cosmetics, lifts (elevators) and telecommunications equipment and explore possible additional areas for cooperation.

Regarding services, the Steering Group will encourage progress in the discussions concerning mutual recognition in this area, and looks forward to renewed discussions and negotiations early in the new year.

On the new Round we will continue to work together over coming months in order to increase the already existing support amongst WTO members in favor of an inclusive and balanced round. As regards China's protocol of accession, we intend to continue our close cooperation toward bringing the negotiations to a successful and expeditious conclusion.

With respect to the rest of the TEP Action Plan, both sides will seek further progress in as many areas as possible. In addition, the Steering Group will be open to consideration of new possibilities for cooperation that could be established within the context of the TEP.

The Steering Group will aim to finalize concrete recommendations for procedures that could streamline and make more effective the process of identifying and addressing issues under the Early Warning Mechanism. It will also continue to encourage contributions by the various dialogues to early warning discussions.

Annex 1 - Joint Declaration on U.S.-EC Cooperation in the Field of Metrology in Support of Trade

Annex 2 - Agreed TEN Wordplay for Architectural and Engineering Services

Annex 1

Joint Declaration on U.S.-E.C. Cooperation in the Field of Metrology in Support of Trade

1. Purpose

This declaration sets out the policy basis and orientation for a joint technical program of work between the United States and the European Community in view of supporting and furthering mutual recognition of test reports, calibration and measurement certificates provided for regulatory and market place compliance purposes. The goal is both to improve regulatory efficiencies and to facilitate trade. These aims will be achieved by reducing unnecessary duplicative measurements, tests and calibration requirements and by improving regulator confidence in measurements, tests and calibrations performed by qualified laboratories in both the United States and the European Community.

Steps to this effect may include, but are not limited to:

a) Recognition of the measurement capability of the National Measurement Institutes (NIST for the United States) and other institutes that are signatories to the CIPM Mutual Recognition Arrangement (MRA).

b) Establishment of the equivalence of national measurement standards based on the CIPM MRA.

c) Recognition of the measurement capability of designated calibration laboratories based on the equivalence of each other's systems to assess and monitor their competence.

d) Recognition by the importing Party's regulatory bodies of the calibration and measurement certificates issued by the National Measurement Institutes and designated calibration laboratories of the other Party.

e) Acceptance/recognition of reference materials developed and produced by the other Party on the basis of the relevant international standard (ISO/IEC Guide 34).

This declaration does not commit the U.S. or the EC to any sector-specific initiatives; and precise decisions will have to be taken explicitly at the appropriate time on a case-by-case basis.

2. Current Situation

Tests and measurements play an important role in commercial transactions and trade, for industry and regulators alike. Product-testing protocols increasingly require measurements that are directly related to the importing nation's national standards or those recognized as being equivalent. In many cases, product tests and associated measurements refer to underlying physical measurement standards realized and maintained by National Measurement Institutes (NMIs). NMIs in the United States and Europe are legally responsible for developing, maintaining and disseminating national measurement standards, making them

available to industry, government agencies, and the public; they are not, however, required to establish equivalence of national standards with other countries, although some do undertake this responsibility as well.

Regulators and industrial customers will not accept product tests and measurements verifying conformance to contract or regulatory requirements unless they are confident that the underlying physical measurement standards are valid. Mutual recognition of measurement standards between the United States and the European Community (E.C.) would facilitate acceptance of the results of conformance testing or product certification performed by manufacturers, testing laboratories or certification bodies in the United States and the E.C. in key sectors where measurement comparability is important. Participation in measurement intercomparisons is critical in assuring that one Party will not reject products exported by the other Party simply because different methods are used to perform a measurement or test. As new technologies emerge and world economies grow, the number, frequency and coverage of such comparisons is rising rapidly. Sound, accurate and reliable measurements, be they physical, chemical or biological in nature, are therefore essential.

While physical measurements are realized and maintained at the highest level by NMIs in the United States and the E.C., most tests and measurements in support of trade are performed by commercial laboratories, not by NMIs. Thus it is important to address both mutual recognition of the measurement capability of NMIs and the measurement capabilities of calibration and testing laboratories whose work is traceable to national or international measurements. The current lack of recognition gives rise to problems that affect trade, such as failure to accept calibration and measurement certificates issued by laboratories in the exporting country; unnecessary duplication of tests, measurements and assessments; and lack of mutual understanding of how measurement-related issues are handled. It has caused specific problems in certain sectors, e.g., aviation, pressure vessels, exhaust emissions, electromagnetic compatibility.

3. Metrology-related trade impediments

The table below summarizes some of the general measurement-related trade impediments that could unnecessarily burden U.S.-E.C. trade and suggests some approaches for possible solutions.

"Impediments to Trade"	"Solutions"
1. Regulatory authorities (and industry) require traceability to physical standards maintained by different National Measurement Institutes.	a) Recognition of calibration and measurement certificates issued by NMIs, based on the CIPM-MRA framework. b) Increased awareness and understanding of metrology-related requirements (see point 5).
2. Different approaches to demonstrating measurement capability.	a) Recognize equivalence of respective systems and their results. b) Cooperation between NMIs c) Cooperation between accreditation

	organizations.
3. Different approaches to developing and certifying reference materials	a) Recognize equivalence of respective systems for value assignment and their results. b) Scientific and technological co-operation. c) Joint development of reference materials.
4. Reliance on different test methods	a) Alignment to international standards b) Harmonization and/or convergence of E.C. and US standards c) Regulatory co-operation d) Scientific and technical co-operation
5. Lack of awareness among regulators and economic operators of how to deal with measurement-related requirements	a) Regulatory co-operation b) Exchange of best practices c) Improve dialogue between regulators and economic operators on the one hand, and NMIs, CIPM, accreditors etc. on the other hand.

4. Instruments available to achieve the objective

Trade facilitation and improved regulatory efficiencies can be achieved by recognizing certain key elements related to the acceptability of calibration and measurement certificates; promoting scientific and technological co-operation based on existing U.S.-E.C. agreements; and promoting cooperation, awareness and understanding of measurement issues among regulators and industry. Examples of instruments and relationships that already exist or are being put into place and that can be used include:

- The CIPM (Comité International des Poids et Mesures) Arrangement on Mutual Recognition of national measurement standards and calibration certificates issued by National Metrology Institutes and other MRA signatories.

- The U.S.-E.C. Agreement on scientific and technological co-operation and the Implementing Arrangement in the field of metrology and measurement standards.

- Cooperation between U.S. and E.C. metrology organizations

- Bilateral, regional and international cooperation between U.S. and E.C. accreditation systems.

5. Elements for a bilateral co-operation framework

To further our mutual objectives, and fully utilize the identified instruments, the U.S. and E.C. agree to consider the following cooperative activities and to develop workplans for specific technical activities. These activities include:

a) Encourage regulators and industry in both the United States and the European Community Member States to rely on and make use of the CIPM Mutual Recognition Arrangement with a view to avoiding duplicative measurements and calibrations.

b) Make use of the U.S.-E.C. Agreement on scientific and technological co-operation and the Implementing Arrangement in the field of metrology and measurement standards, to aid in finding solutions to measurement and test related problems that impede or could impede trade.

c) Establish cooperation between regulators on measurement-related requirements in regulations. Encourage exchange of information and experience among regulators, identification of best practices and networking.

d) Promote awareness and understanding among regulators and industry of measurement-related requirements and issues. Promote dialogue between regulators, industry and metrology organizations

e) Encourage and support the use of international standards related to laboratory competence. Encourage cooperation and agreements between U.S. and E.C. accreditation organizations and support the related activities at the international level. Support regional and international programs for laboratory inter-comparisons.

f) Pursue an agreement on the mutual recognition of calibration and measurement certificates.

Annex 2

TRANSATLANTIC ECONOMIC PARTNERSHIP

ELEMENTS OF THE WORK PLAN

Introduction

Six elements were identified to form part of the work plan for architectural and engineering services. Each element is listed below with a brief description. At some point, it may be necessary to set forth separate work plans for each profession.

Respect of each others' regulatory systems

- purpose of regulation.
- extent to which home country regulations and host country regulations apply to an individual practicing in another country or jurisdiction. For example, when is disciplinary action appropriate and what jurisdiction(s) should take the action?
- requirements for licensing/registration/certification in a host country.
- procedures to be used in processing applications from licensed and unlicensed practitioners from other countries.
- services that may be provided in architecture and engineering by individuals without licensure/registration/certification. (See also "scope of practice")
- limitations on use of the title "architect" or "engineer," if any.
- licensure/registration/certification requirements for companies (info only, not MRA)
- period of validity of registration or licensing
- need for continuing professional development

Determining equivalence of education

- purpose of education requirements for licensing or registration of professionals.
- process by which equivalency of education will be determined and who will make the determination in each jurisdiction.
- applicability of existing agreements on educational requirements, as appropriate.
- role of organizations which accredit degree-granting programs and/or institutions, as appropriate.

Determining equivalence of qualifications other than education

- purpose of requirements, such as experience and examinations, in determining whether an individual is qualified to practice the profession.
- equivalencies of examination
- equivalencies of practice qualifications

- process by which equivalence will be determined and who will make the determination.
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- role of quasi-governmental and non-governmental organizations, if any, that would be involved in the process.

Notification to the World Trade Organization of the intent to negotiate mutual recognition

- text of a notification to the World Trade Organization, as required under Article VII:4 of the General Agreement on Trade in Services (GATS).

Scope of practice

- functions performed by licensed or registered individuals, including functions in particular branches of engineering.
- services that may be provided in architecture and engineering by individuals without licensure/registration/certification. (See also "respect of each others' regulatory system")

Implementation of agreements

- steps to be taken by regulatory authorities to make the agreement work.
- steps to be taken by the governments at federal and sub-federal or at Member State level to make the agreement effective.
- steps to be taken by others (professional associations and/or other national or sub-national organizations) that may be necessary to make the agreement work.